

Congresswoman Kosmas Calls for Strong Accountability in Upcoming Stimulus

(Washington, DC)--In keeping with her commitment to foster greater accountability and transparency, Congresswoman Suzanne Kosmas (FL-24), along with several of her colleagues from both parties, sent a letter today to House leadership calling for better protection of taxpayer dollars in the upcoming economic stimulus package through provisions to track and measure the impact of federal money and institute thorough reporting at all levels of government.

Urges Greater Transparency and Improved Protection for Taxpayer Dollars

(Washington, DC)--In keeping with her commitment to foster greater accountability and transparency, Congresswoman Suzanne Kosmas (FL-24), along with several of her colleagues from both parties, sent a letter today to House leadership calling for better protection of taxpayer dollars in the upcoming economic stimulus package through provisions to track and measure the impact of federal money and institute thorough reporting at all levels of government.

"My priority is to protect taxpayer dollars while providing accountability and transparency in all federal spending programs," said Congresswoman Kosmas. "The only way to ensure that the stimulus creates good, high-paying jobs is to impose strong accountability measures from the beginning."

"Small and medium businesses are the engines for American job creation. But without a system to track the use and impact of stimulus investment by these groups, it will be nearly impossible to gauge the effectiveness of taxpayer dollars," continued Kosmas.

38 members joined together in sending the bipartisan letter to Speaker Pelosi, Majority Leader Boehner, Appropriations Committee Chairman Obey and Appropriations Ranking Member Lewis. In order to ensure transparency and accountability in the stimulus spending, Congresswoman Kosmas and her colleagues urged for the inclusion of provisions to:

- 1)
Track in detail how stimulus funds are spent by state, county and municipal entities, with project visibility from start to finish, and compliance reporting, while placing as little burden as possible on the recipient entities;
- 2) Report the resulting economic impacts down to the local level so the effectiveness of funding can be measured and future funding can be allocated with maximum impact;

3)

Provide qualified businesses across the United States a simple method to access federally-funded stimulus projects as soon as they are let out for bid, at no cost to businesses.

The full text of the letter can be found below:

January 13, 2009

Dear Speaker Pelosi, Minority Leader Boehner, Chairman Obey, and Ranking Member Lewis:

We

urge you to include language in the upcoming economic stimulus package that will ensure transparency and accountability for any included federal funding. Specifically, we hope you will consider requirements to track and measure the impact of federal dollars, ensure spending efficacy and thorough reporting, and make certain that projects eligible for funding through the package have the widest possible exposure to qualified contractors.

We do not want to repeat the perceived lack of transparency and accountability experienced with the disbursement of the Troubled Asset Relief Program (TARP) funding. In recent Congressional hearings the lack of oversight on how the TARP funds are being used by financial institutions has become glaringly obvious, and the Government Accountability Office recommended that a systematic means of tracking and reporting be adopted for this particular program. Taxpayers should be entitled to accountability and transparency in all federal spending programs, and Congress would be well served to implement more thorough reporting requirements for all future spending.

As you know, significant progress has been made to improve visibility into federal contracts and grants since the 2006 passage of the Federal Funding Accountability and Transparency Act (FFATA) and the creation of www.USAspending.gov. The requirements of this law have yet to be fully implemented, however, and the tracking and reporting mechanisms do not extend to the state and local levels. We are concerned that, if funds in the upcoming stimulus package are appropriated in the form of block grants or other accounts to be distributed by individual states and local governments, the absence of transparency mechanisms will present the potential for both waste and fraud. We are also concerned that it is exceedingly difficult to determine the actual impact of economic stimulus funds on job creation and regional economies.

State and local government inclusion in tracking mandates is crucial for any federal economic stimulus program to be viewed as successful; otherwise a protracted forensic exercise will be required to identify where the funding went and how effective it was. Recent technology innovations have made more effective tracking possible, and we should take full advantage of them. In order

to ensure transparency and accountability in the stimulus package spending, we urge you to include provisions to:

- 1) Track in detail how stimulus funds are spent by state, county and municipal entities, with project visibility from start to finish, and compliance reporting, while placing as little burden as possible on the recipient entities;
- 2) Report the resulting economic impacts down to the local level so the effectiveness of funding can be measured and future funding can be allocated with maximum impact;
- 3) Provide qualified businesses across the United States a simple method to access federally-funded stimulus projects as soon as they are let out for bid, at no cost to businesses.

The inclusion of these mechanisms would allow funds to be put to use at a much faster pace in local economies and ensure that projects reach the broadest possible set of qualified contractors. Additionally, taxpayer dollars would go further as the costs of goods and services would be reduced as a result of increased competition among a larger pool of contractors.

The expected beneficiaries of stimulus funds are a diverse group of mostly small and medium businesses, and economists agree that the "flywheel effect" of job creation from stimulus funds will happen principally at this level. Without a mechanism to track the use and impact of the stimulus spending by such entities, however, it will be nearly impossible to gauge the effectiveness of the spending.

Congress has a finite amount of time during which we can ensure these funds are put to their intended use with maximum economic impact. Without a comprehensive tracking program in place as part of this legislation and prior to disbursement of funds, stimulus dollars will only be tracked in the aggregate, making it difficult to ensure a responsible use of taxpayer dollars. We therefore urge you to include tracking mechanisms along the lines outlined above.

Thank you for consideration of this important request.